Edmonton Socio-Economic
OUTLOOK
2003 - 2008

Prepared by
The City Forecast Committee
March 2003

Edmonton PLANNING AND DEVELOPMENT

103-06049/

EDMONTON SOCIO-ECONOMIC OUTLOOK 2003 – 2008

Prepared by:
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Planning and Development Department
c/o: 3rd Floor, City Hall
Sir Winston Churchill Square
Edmonton, Alberta, Canada
T5J 2R7

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Edmonton Socio-Economic Outlook, 2003 - 2008

MEMBERS OF CITY FORECAST COMMITTEE	
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Wayne Tymchuk Senior Economist Planning and Development Department	Stan Dilworth Director, Audit, Regulatory and Standards Planning and Development Department
Dana Oikawa Forecast Manager EPCOR Power Generation	Linda Chan Manager, Capital-Revenues and Rates EPCOR Water Services
Terry Dew Director of Research Economic Development Edmonton	Rod Keith Strategic Planning Officer Community Services Department
Alan Brownlee Director, Evaluation & Monitoring Transportation and Streets Department	Staff Sgt. Dean Albrecht Planning & Evaluation Services Section Edmonton Police Services
Audra Jones Director, Community Transportation Planning Transportation and Streets Department	Don Pilling Fire Protection Engineer Emergency Response Department
Nila Chowdhury Budget Consultant Corporate Services Department	Christina Ionescu Economist Corporate Services Department
Robert Higgins Planner II Planning & Development Department	

For more economic information, please contact:

Jong Huang **(780) 496-6068** jong.huang@edmonton.ca

Wayne Tymchuk **(780) 496-6070** wayne.tymchuk@edmonton.ca

For more social information, please contact:

Rod Keith **(780) 496-4782** rod.keith@edmonton.ca

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EXECUTIVE SUMMARY

This report is prepared primarily for use as a reference for the preparation of the City of Edmonton's corporate and departmental business plans and budgets, the City's Capital Priorities Plan, and the City's Long Range Financial Plan.

Economic Outlook

The economic outlook outlined in this report does not take into consideration the possible impacts on the economy of the Kyoto protocol. The war on Iraq by the United States is not directly factored in.

External Factors

The U.S. economy is faced with a lot of uncertainty. The overhanging war with Iraq has increased oil prices substantially as the current price was near U.S.$36.00/bbl. The estimate is that the U.S. economy grew only 2.4% in 2002. This is above the 2001 rate of 0.3% but significantly less than Canada's rate of 3.4% in 2002. As a result of the uncertainty, the forecast for U.S. GDP growth is only 2.6% in 2003.

The world economy bounced back in 2002 but then lost speed as a result of weak consumer confidence. It is expected that the sluggishness will continue in 2003 but strengthen in 2004.

Energy prices are expected to be higher than last year, due to the uncertainty of the war with Iraq. The oil price (West Texas Intermediate) is expected to average U.S.$28.25/bbl this year but fall to U.S.$24.65/bbl in 2004. Natural gas prices are also expected to be higher this year than last. The price of Alberta natural gas in 2002 was $3.83 ($/GJ) but is expected to rise to $6.05 this year.

Interest Rates and Exchange Rates

The Bank of Canada increased the prime lending rate from 3.75 % at the beginning of last year to 4.5% at year end and further up to 4.75% in March 2003. This was due to rekindled inflation expectations. Five year mortgage rates in 2002 remained almost constant, starting the year at 6.85%, rising to 7.25% at the beginning of May and then falling to 6.6% at the end of the year. We expect that interest rates will rise in 2003 and continue to rise until 2005.

The Canadian/U.S. exchange rate started the year flirting with the U.S.$0.620 level but it strengthened almost all year, reached a high of over U.S.$0.661 at the end of June and closed out the year near the U.S.$0.640 level. The Canadian dollar averaged U.S.$0.636 in 2002. We expect the dollar to average U.S.$0.662 in 2003 and rise to U.S.$0.681 by 2008.

Canada

The rate of economic growth in Canada slowed over the four quarters of 2002 but for the year the economy grew at a 3.4% rate. Due to the high oil prices and a resulting worldwide anemic economy we are forecasting the Canadian economy to grow at 3.1% in 2003 and 3.3% in 2004.

Alberta

The Alberta economy grew at an estimated 2.6% in 2002, higher than the 2.0% in 2001. Economic growth is forecast to increase to 3.4% in 2003 and 3.6% in 2004 as the benefits of higher energy prices to the resource sector and a stronger world economy later in the year work their way through the Alberta economy. Economic growth is expected to range between 3.2% and 4.1% over the 2005-08 period.

Edmonton

Edmonton's economic growth rate in 2002 exceeded that of both the country and the province with an expected GDP increase of 4.2%. This strong growth was evident in the number of housing starts, which increased from 7,855 in 2001 to a stellar 12,582 in the Edmonton region in 2002. This is a 60% increase over 2001, which was the strongest year since 1983. With the high energy prices and a large number of major projects in northern Alberta, the regional economy of Edmonton is forecast to

continue to grow at a rate of 3.0% in 2003 and 3.1% in 2004. Over the entire 2003-2008 forecast period the Edmonton economy is forecast to grow at an average rate of 3.3%.

Demographic Changes

In 2002 the population of the Edmonton CMA is estimated to be 953,000. The population of the Edmonton CMA is expected to exceed 1 million people in 2005 and by 2008 the Edmonton CMA is forecast to have a population of 1.043 million people. This is an increase of 74,000 people over the forecast period. The City of Edmonton is expected to grow by 48,000 people for the same period. Net migration is expected to remain strong for the Edmonton CMA, ranging between 8,000 and 10,500 annually for the forecast period.

Inflation

The Edmonton CMA inflation rate, as measured by the consumer price index, increased to 3% in 2002 from 2.2% in 2001. Higher gasoline and natural gas prices were the main factors in the increase. A strong local economy is forecast to increase the inflation rate to 3.3% in 2003. Over the entire 2003-08 period inflation is expected to average 2.4%

Labour Market

The unemployment rate in the Edmonton CMA last year rose to 5.1% from 4.9% in 2001. The Edmonton region created about 17,000 net new jobs last year. This year the Edmonton CMA is expected to create 11,000 new jobs and a total of 67,000 net new jobs by 2008.

Construction Sector

The housing market had a banner year in 2002. Housing starts in the City of Edmonton reached a total of 8,822. This is the highest level of housing starts in twenty years. The CMA had a banner year as well with 12,582 starts. It is expected that the number of housing starts will moderate this year to a total of 10,700 in the Edmonton CMA and 8,000 for the City. They are expected to remain at close to these levels for the entire 2004-08 forecast period.
As a result of the high number of housing starts, the value of building permits reached over $1.1 billion dollars in 2002. This was a 26% increase over 2001. In 2003 the value of building permits is expected to fall in the range of $916 to $1,032 million. It is expected that the value of building permits will be in the range of $963 to $1,112 million in 2008.

Office space vacancy rates will decline gradually over most of the forecast period, as continued economic growth will result in higher net office absorption rates. However once the major projects in northern Alberta are completed, the vacancy rate may increase a bit. Last year's tight apartment vacancy rate is expected to ease gradually over the next several years as a result of strong apartment construction.

Social Outlook

Highlights from the Canadian federal 2003 budget include:

- $34.8 billion over five years for health care.
- Funding for childcare and early learning programs, particularly for low-income and single-parent families.
- More eligible expenses for medical expense tax credits.
- Additional money for affordable housing, renovation programs aimed at extending the life of existing affordable housing, and for programs to alleviate homelessness.
- $1 billion for municipal infrastructure.
- Programs for urban Aboriginals, plus enhanced training and employment opportunities.

Highlights from the Alberta Provincial Speech from the Throne include:

- *Alberta's Promise* – a co-ordinated approach involving many sectors of the community to ensure a better environment for children.
- $20 million for classroom resources.
- A new capital plan to address infrastructure needs.

- Increased financial support to low-income seniors.
- Initiatives to ensure basic access to shelter, including integration of homeless-shelter programs.
- More affordable housing.
- Designated waiting-time limits for selected health services.
- Better health care delivery.
- A Family Law Act, which will consolidate current family laws and also address spousal and child support and child custody and access issues.

Although movement within Canada is at its lowest level in more than two decades, Alberta had a net increase of 119,400 between 1996 and 2001. This is the largest gain experienced by any Canadian province since the 1981 census. The largest proportion of in-migrants came from British Columbia; young people (15 to 29) constituted more than half of the overall increase.

Almost 45,000 international migrants came to the Edmonton CMA during the 1990s; 58% of the newcomers came from Asia (the largest single contributor was the Philippines, at 12.4% of the total). However if the figures from the Republic of China and Hong Kong are combined, this represents the largest group. The majority of immigrants to Canada during the period 1996 to 2001 were of working age (25 to 64).

The Edmonton CMA now has the fifth highest proportion (15%) of visible minorities among Canadian census metropolitan areas. The Aboriginal population of the CMA continues to grow — from 3.8% of the city population in 1996 to 4.4% in 2001.

A new study has shed valuable light on Canadians with disabilities. 12.5% of Albertans reported having activity limitations. This is very close to the national average.

Edmonton's stock of affordable housing has been eroded through demolition or conversion to condominiums — 6,500 units were lost between 1997 and 2000. Waiting lists for social housing have increased from about 300 to 4,300 households over the past five years.

The total number of homeless persons counted in October 2002 (1,915) was up 65% from the previous count in September 2000; almost two-thirds of those counted were *absolute homeless*, meaning that they had no permanent place to reside. The number of homeless children under 15 more than doubled between 1999 (112) and 2002 (267).

Property crimes rose by 11% in 2002, with thefts from autos continuing an upward trend with an increase of 20%. Traffic collisions reached a five-year high, increasing by 8%. Violent crime was down by 7% in comparison with 2001, and youth crime (ages 12 to 17) declined by 11%.

The results of a new recreation and leisure survey of Edmontonians found that they seem to be somewhat less involved in active pursuits, and showed a higher participation rate in passive activities. This is consistent with research conducted in 1999 by the Alberta Centre for Well-Being. This research found that 48% of Edmonton residents were physically active on a regular basis. In comparison, 56% of Calgarians said they were exercising regularly.

The majority of Edmontonians (78.9%) reported they sometimes or always felt under pressure in completing their daily tasks; 44.3% felt they had less leisure time available to them than they did two years ago. Research by Statistics Canada found that Canadians with high incomes are more likely to feel under time pressures than those with lower incomes.

IMPLICATIONS OF THE OUTLOOK

Business Sector

Over the forecast period, Edmonton's business community is expected to benefit from:

- slightly higher population growth,
- strong employment growth, modest increase in wages and salaries, lower income and business taxes, therefore,
  - strong and stable disposable income growth,
  - strong and stable purchasing power growth,
  - stable consumer spending, and
  - strong and stable demand for housing/rental units,
- continued spin-off from investment activity in energy, pipeline and resource-related projects in northern Alberta,
- moderating energy costs,
- a large supply of relatively low-cost downtown office space,
- moderate inflation and
- a strong housing market.

However, during the same period, Edmonton businesses must adjust to:

- shortage of skilled labour in certain occupations,
- increased house prices and rental rates,
- increased security and insurance costs as a result of increased concerns over terrorist activities,
- potentially higher electricity costs, and
- increased health care premium costs.

Government and the Public Sector

Over the next few years, Edmonton's government and public sector will benefit from:

- continued strong economic growth in the province,
- increased assessment base, and
- increased spending on education and health care by the provincial government.

However, over the same period, Edmonton's government and public sector must deal with:

- continued municipal infrastructure shortfalls,
- continued excess supply of space and a slower increase in real estate prices in the downtown non-residential markets,
- increased demand for municipal services as a result of growth pressures, e.g. roadways, transit, parkland, etc.,
- continued demand for government services in the areas of health, education and infrastructure as a result of the ageing population and positive net migration,
- the number of potential retirees exceeding the number of first-time labour market entrants,
- a shortage of affordable housing, and
- homelessness.

Families and Individuals

Over the forecast period, Edmontonians are expected to benefit from:

- increased tax credits for child benefits and medical expenses,
- increased employment opportunities and a healthy rise in wages as a result of continued strong economic activity, and
- some moderation in the extent of poverty for the working poor with children.

However, Edmontonians must also deal with:

- rising house prices and rents due to tight supply/demand for rental units,
- increased health care premiums, and
- providing more care for aged relatives.

INTRODUCTION

This report provides an economic and social analysis of the current and future changes in the City of Edmonton and the Edmonton Census Metropolitan Area (CMA - see map in Appendix III) for the years 2003 to 2008. The outlook is used as a reference for the preparation of the City of Edmonton's 2004-2006 corporate and departmental business plans, 2004 departmental operating budgets, the 2004-08 Capital Priorities Plan, and the 2004-2013 Long Range Financial Plan. In addition, other public agencies, citizens and businesses use the forecast for planning purposes.

The City Forecast Committee monitors economic and social activities/trends throughout the year. The Committee prepares an outlook report semi-annually, in the spring and in the fall.

PART 1: ECONOMIC OUTLOOK

The economic outlook outlined in this report does not take into consideration the possible impacts on the economy of the Kyoto protocol. The war on Iraq by the United States is not directly factored in.

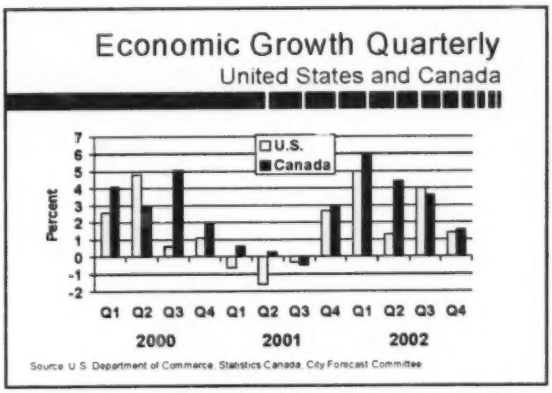
UNITED STATES

The U.S. economy is expected to produce a slow recovery. The economy is expected to grow at 2.6% in 2003, 3.6% in 2004 and it is expected to average 3.1% per year over the 2005-08 period.

With the uncertainty that is associated with the Iraq war, the price of oil has been rising and has recently been above U.S.$36.00/bbl. These high energy prices act as a tax on consumers and limit the amount they have to spend on other items. Consumer and business confidence had also hit the skids. The combination of these two factors has slowed the U.S. economy. The U.S. authorities have tried to offset this slowing with monetary policy, in this case low interest rates, and fiscal policy by implementing tax cuts.

In the first quarter of 2002 the annualized growth rate of the GDP in the United States was 5%, and by the last quarter the economy slowed to an annualized rate of only 1.6%. Over the entire year the growth rate in the United States was estimated at only 2.4%. The strength in the U.S. economy came from personal consumption, government spending, and private inventory investment. The areas of weakness included non-residential fixed investment and exports. Imports also increased, which decreases the GDP.

The recovery in the United States is just starting to take shape. After nine quarters of drops in capital expenditures (other than information technology) the U.S. economy increased its spending by 11.2%. Another sector that continues to help the GDP is the increase to inventories, which has increased the GDP for three quarters in a row. Non-residential fixed investment for structures is still lagging and until this sector becomes stronger the recovery will remain weak.



The U.S. government is attempting to accelerate the economy using tax cuts. The 2004 budget asks the U.S. Congress to approve a total of U.S.$1.5 trillion of tax cuts over 10 years. This is in junction with the stimulative monetary policy of the Federal Reserve Board. Interest rates are at rates that have not been seen since the early 1960s. Both of these are expected to help the U.S. economy strengthen. We

forecast the U.S. economy to grow 2.6% this year and 3.2% over the rest of the forecast period.

CANADA

The Canadian economy is expected to follow the U.S. economy and grow at a rate of 3.1% in 2003, 3.3% in 2004 and at an average rate of over 3% per year over the 2005-2008 period.

The Canadian economy expanded in 2002 at a rate of 3.4%, which was higher than 2001 when the economy grew at only 1.5%. This growth in 2002 was the highest among the G7 nations. Consumers were the driving force in the Canadian economy in 2002 with their increased purchases of housing and automobiles. Expenditures on plant and equipment by businesses were lower by 3.9%.

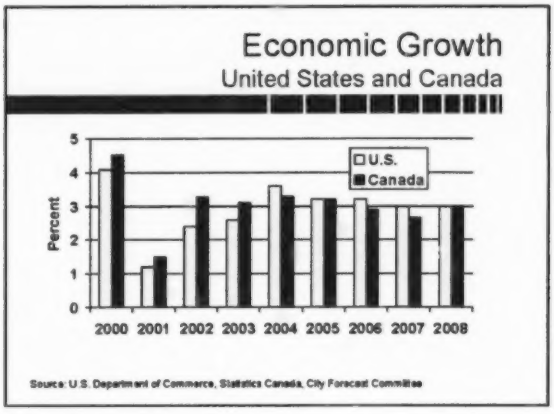
The low interest rates stimulated consumers to buy and to go into debt. Purchases of automobiles increased 7.1% in 2002, partly fueled by very attractive financing schemes of the major automobile manufacturers. Among the provinces, Manitoba had the biggest increase of automobile sales with a 13.9% increase over 2001.

From the first quarter of 2001 to the fourth quarter of 2002, the average of the one-year mortgage rate fell from 7.1% to just over 5%. These lower rates prompted consumers to increase their purchases of houses. Dwelling starts in Canada increased from 133,880 in 2001 to 169,373 in 2002, an increase of over 26%. The value of residential permits increased a corresponding 32.1%. The resale market shared in this strength.

With the housing boom, consumers also increased their purchases of furniture and floor coverings by 7.7% and household appliances by 7.0%.

Due to the weak Canadian dollar and the lack of confidence after 9/11/2001, travel expenditures continued to fall.

The business investment fell 3.9% in 2002. Investment in non-residential structures and building fell 6.4% and 11.1% respectively. Machinery and equipment spending fell 2.4%. These decreases in business spending were partially offset by increased spending on trucks, automobiles, software and computers.



In 2002, Canadian employment set a record with an increase of 560,000 jobs. This represents a 3.7% increase over 2001. Employment in the goods producing industries increased 221,000 or 5.8% above the 2001 levels. The service sector created even more jobs with employment gains of 339,000, but because it is such a large sector, its percentage increase was only 3.0%. This increase in employment decreased the unemployment rate. The unemployment rate at the end of 2001 was 8.0% and by the end of 2002 it fell 0.5% to 7.5%.

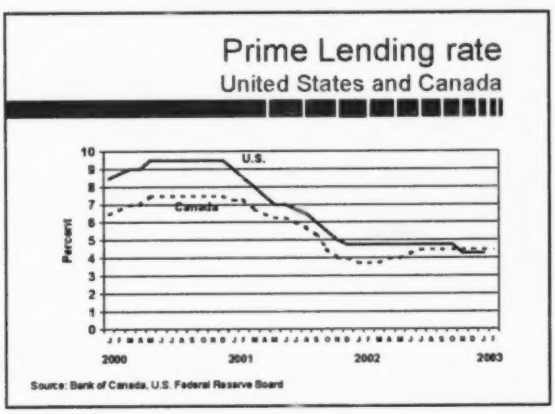
The inflation in Canada was 2.2% in 2002. This was down from 2.6% in 2001 and 2.7% in 2000. The inflation rate has turned up as the high energy prices continue. From January 2002 to January 2003, energy prices were the main factor behind the 4.5% increase in the CPI. As a result, the Bank of Canada has recently increased interest rates by 0.25%, and will continue to do so if inflation remains a problem.

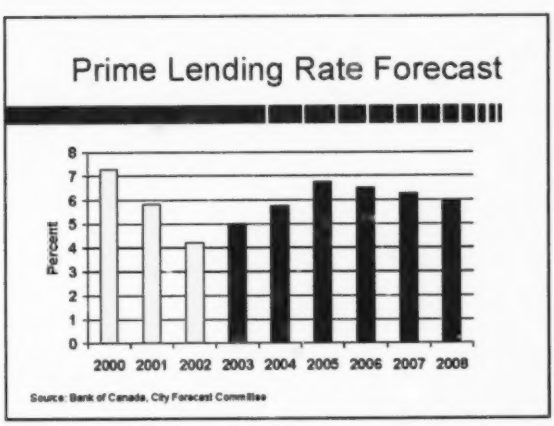
Looking ahead, unless there is a quick resolution to the Iraq conflict, oil and energy prices will remain high. If this is the case the economic recovery in the United States will be threatened as high energy

prices act as a drag on consumer and business spending. The effect on the Canadian economy will echo the U.S. economy. If the U.S. economy slows the Canadian economy will follow, as much of the Canadian economy depends on exports to the United States.

Prime Lending Rate

Interest rates in Canada and in the United States followed different paths in 2002. In 2001, the United States prime rate fell by 4.75 percentage points, while the Canadian prime fell by 3.75 percentage points. In 2002 the prime rate in Canada started off the year at 3.75% and was raised a total of 0.75% to end the year at 4.5%. In the U.S. the prime rate started at and remained at 4.75% for most of the year. Late in the year (November) the U.S. prime rate was dropped from 4.75% to 4.25%.



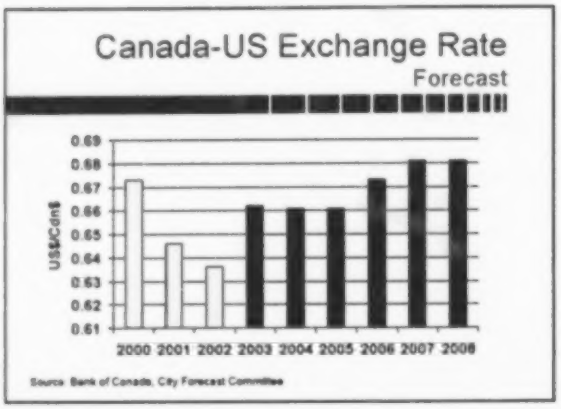

Prime Lending Rate Forecast
Percent
2000 2001 2002 2003 2004 2005 2006 2007 2008
Source: Bank of Canada, City Forecast Committee

The different economic situations in Canada and the United States require different responses by the respective central banks. In Canada, economic strength has brought about some upward pressure on prices and as a result the Bank of Canada has raised rates three times in 2002. In the United States, there was much discussion of deflation and it was actually prevalent in the goods producing sector of the economy whereas there was stable but low inflation in the service producing sector of the economy. These low interest rates, along with the tax cuts proposed by President Bush, are expected to have a simulative effect on the economy. If there is some sign of inflation in the United States, the Federal Reserve will likely begin to tighten monetary policy by raising interest rates but until then we expect the low rates to continue in an attempt to stimulate the economy.

The prime lending rate in Canada in 2003 is expected to rise another 0.5%, to average 5.00% for the year and increase an additional 0.75% in 2004. In the balance of the forecast period we expect rates to rise to a peak of 6.75% in 2005 and then fall to 6.00% by the end of 2008.

Exchange Rate

The Canadian dollar had a roller coaster ride in 2002. It started the year at the U.S.$0.626 level and strengthened to reach just over the U.S.$0.660 level near the end of June. It fell quickly below the U.S.$0.630 level soon after and traded mostly between U.S.$0.630 and U.S.$0.645 for the balance of the year. It ended the year at U.S.$0.634. Most forecasters expected the Canadian dollar would be much stronger relative to the U.S. dollar than it was. They compared the trade surplus and government budgetary surplus in Canada to the huge trade deficit and government budget deficits in the United States and expected a stronger Canadian currency. As well, the 20% increase in commodity prices was expected to strengthen the Canadian dollar. These forecasts have recently begun to come true as the Canadian dollar has strengthened from U.S.$0.638 to U.S.$0.679 at the middle of March.



Alberta

Due to the high energy prices, the growth in the Alberta economy is expected to lead the nation. The Alberta economy is expected to grow 2.6% in 2002 and strengthen to 3.6 % in 2004, 4.1% in 2005 and then taper off to 3.2% by 2008.

2002 Review

Alberta's GDP grew by only 2.0% in 2001. In 2002 it is estimated that Alberta's GDP will grow by 2.6%. This performance was expected in spite of the fact the agricultural sector was beaten down due to severe drought conditions in much of the province. The energy sector is still the major driver of the provincial economy as almost 10% of the GDP comes from gas and oil extraction. Offshoots from this benefit almost all sectors of the economy.

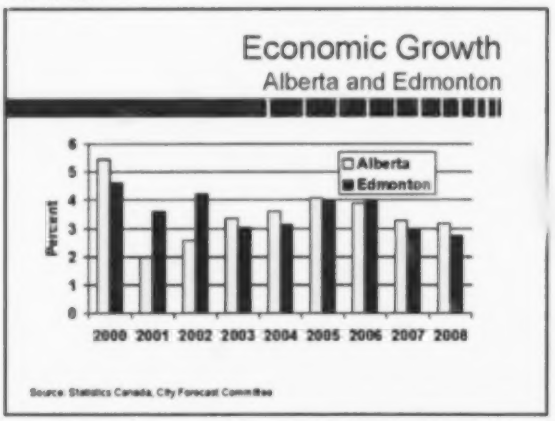
Early in the year, low energy prices resulted in slower investment than in 2001. However, strong consumer spending more than offset any sectoral weakness in the economy.

Retail sales in 2002 continued the strong performance of the previous year. It is expected that retail sales in the province grew at about 7.9% in 2002, this is the highest growth among the provinces. The national average was a 6.0% increase in retail sales.

The housing sector was in a major expansion and some even called it a housing boom. Alberta, with less than 10% of the population of Canada, had about 19% of the housing starts nation-wide. Only Ontario and Quebec had more housing starts than Alberta with 84,000 and 42,000 respectively. Alberta had an estimated 39,000 housing starts.

As a result of the excellent economic growth, Alberta had the highest net inter-provincial migration with almost 120,000 people coming to Alberta between 1996 to 2001. Among the other provinces, only Ontario had a positive net inter-provincial migration over the 1996-2001 period with a little over 50,000 people. All the other provinces showed a negative net inter-provincial migration.

Not only the strong economic growth, but the strong fiscal position of the provincial government, which produced a low tax rate, drew people and businesses to Alberta. With the aforementioned migration and strong economic growth, employment growth has also been strong with over 37,000 new jobs in Alberta in 2002. This is a 2.8% increase. This is the third strongest among the provinces with only Quebec and New Brunswick having stronger employment growth with 3.7% and 3.1% respectively. Alberta also had the second lowest unemployment rate among the provinces with an average unemployment rate of 5.3% behind Manitoba with a 5.2% rate. The maritime provinces' unemployment rate ranged from 9.7% for Nova Scotia to a high of 16.9% for Newfoundland and Labrador.

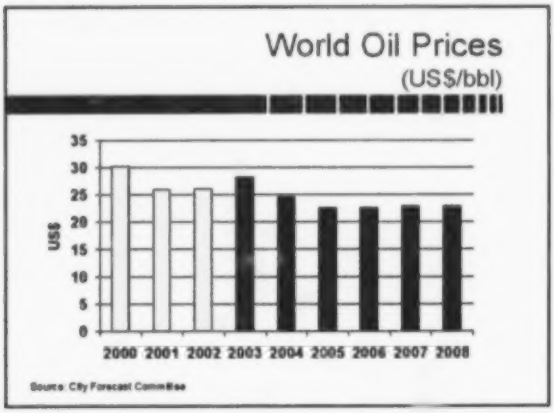


Growth will continue in 2003

The economic growth in Alberta is expected to increase in 2003 to 3.4%. The housing market, although expected to be strong, is unlikely to produce another record year as in 2002. With the current high energy prices, investment in the energy sector is expected to be stronger in 2003 than in 2002. Both conventional energy investment, especially natural gas investment, and non-conventional energy investment are expected to be strong.

Oil and Gas

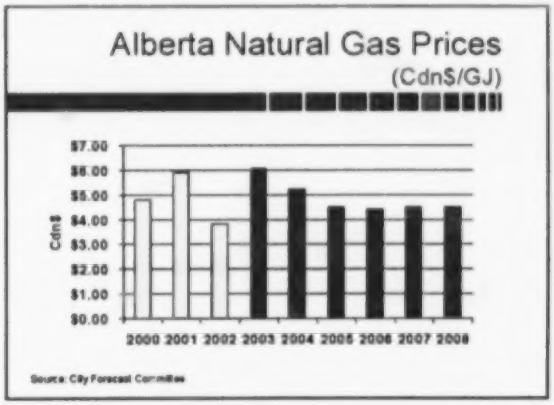
The impact of the Kyoto protocol on the energy industry is not clear at this point because the federal government has not yet released how it will be implemented. Therefore, the oil and gas price in this report is made without taking into consideration the agreement.



The current high oil prices are a direct result of the uncertainty in the oil market in regards to possible supply disruptions. The war between Iraq and the coalition of the United States and the United Kingdom is the biggest threat to supply disruptions. Other things such as the general strike in Venezuela and the possible civil unrest in Nigeria are also weighing on the oil market.

The oil demand increased very little in 2002 over 2001. In 2001 the average demand was 76.5 million barrels per day and rose slightly to 76.9 million barrels per day. The International Energy Agency is expecting oil demand to increase in 2003 to 78.0 million barrels per day. This big turn-around in oil demand began in the fourth quarter of 2002 after decreases in oil demand during the previous five quarters.

It is expected that the oil price will fall back down to the U.S.$20.00/bbl to U.S.$25.00/bbl range as it did with the earlier Gulf War in 1991 after a run-up to over U.S.$40.00/bbl. The oil price is forecast to average U.S.$28.25/bbl in 2003, U.S.$24.65/bbl in 2004 and then fall to the U.S.$22.00/bbl range for the rest of the forecast period.



In the North American natural gas markets, an unexpectedly cold winter drove the demand for gas up sharply and led to the largest monthly storage withdrawal on record in January 2003. While storage levels remained at reasonable levels, the large withdrawal underscored the inability of current supply to keep pace with demand. The market responded with a rapid run up in prices, with the daily AECO spot price averaging as much as $13.00 per GJ in the final week in February.

With little supply growth anticipated in the short run, high oil prices limiting fuel-switching opportunities away from gas, and the possibility of below normal hydro availability, the reliance on gas-

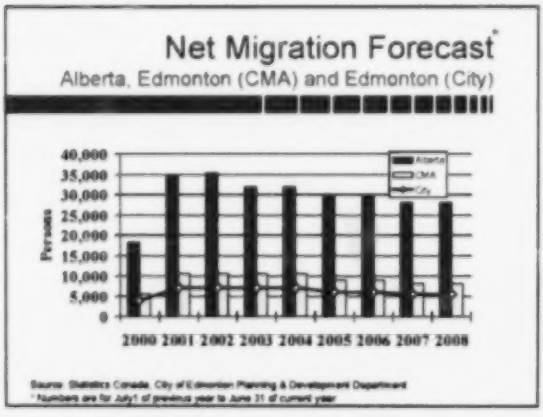
fired power generation to meet air-conditioning loads may increase this summer. There are growing concerns that there will be insufficient gas supply to adequately re-build storage levels before next heating season.

Consequently, the forecast has the AECO 30-day spot price averaging $6.05 per GJ in 2003, easing only slightly to $5.20 in 2004. By 2005, the increased drilling activity prompted by these high prices is expected to bring additional supply to the market and gas prices are expected to average around $4.50 per GJ for the remainder of the forecast period.

Net Migration

As previously stated, Alberta had the highest net inter-provincial migration with almost 120,000 people coming to Alberta from 1996 to 2001.

From January to the end of September in 2002, the net interprovincial migration for Alberta totaled 20,116. This is over 5% higher than the same period in 2001 and it is the highest level since 1998 when Alberta had net interprovincial migration of over 35,000 for the first 9 months of 1998.



The total net migration for the first 9 months of 2002 totalled 27,050. This is down slightly from the previous year as there were less net international migrants in 2002 for the same period. We are forecasting total net migration for Alberta to 32,000 people for 2003 and 2004, 30,000 people for 2005 and 2006 and falling to 28,000 in 2007 and 2008.

Edmonton

Economic Growth

The Edmonton region is estimated to grow at 4.2% in 2002. It is expected to continue to expand at a solid 3.0% in 2003, 3.1% in 2004, 4.0% in both 2005 and 2006 and then slowing to 2.7% by 2008.

Despite the U.S. economy being on shaky ground, the Edmonton regional economy had a higher growth rate than the Province or Canada in 2002. In 2002, the economy is estimated to grow at a rate of 4.2%. Some of this growth is due to the strength of the consumer spending, especially the housing market.

The region's economy continues to benefit from the economic spin-off from investment in northern Alberta. In November 2002, Economic Development Edmonton estimated the proposed, announced and recently completed or under construction major projects in northern Alberta at $64.7 billion, which is 80% of the total value of major projects in Alberta.

The following projects will have a significant impact on the Edmonton economy over the next five years:

Summary of Major Projects

($ millions)

Sector	Northern Alberta	Alberta Total
Agriculture and Related	114	252
Chemicals and Petroleums	46	46
Commercial/Retail	668	2,414
Commercial/Retail and Residential	262	2,071
Forestry and Related	241	276
Infrastructure	2,274	6,705
Institutional	2,287	4,332
Manufacturing	67	71
Mining	30	30
Oil, Gas and Oilsands	54,807	52,415
Other Industrial	88	147
Pipeline	1,117	2,448
Power	1,116	5,064
Residential	618	1,403
Telecommunications	-	300
Tourism/Recreation	1,061	3,305
Total	**64,796**	**81,277**

Sources:
1. Alberta Economic Development, February 2003
2. Economic Development Edmonton, November 2002
* Totals may not add up due to rounding

Commercial/Retail

- $250 million for the South Edmonton Common retail complex by Cameron Corp. and Grosvenor International
- $100 million for the Shivam Park Auto Mall and Shopping Centre in Sherwood Park by Shivam Developments

Commercial/Retail and Residential

- $250 million for Station Lands Commercial Residential development by Qualico Developments

Infrastructure

- $220 million for the Anthony Henday Drive extension to Calgary Trail by Alberta Transportation
- $108 million to extend the LRT to the Jubilee Auditorium by the City of Edmonton
- $638 million to extend the LRT from the Jubilee Auditorium to Heritage Mall by the City of Edmonton

Institutional

- $125 million for the Alberta Heart Institute by Capital Health
- $100 million for the Royal Alexandra Hospital North Treatment Centre by Capital Health
- $163 million for the Tower Wing at the Royal Alexandra Hospital by Capital Health
- $120 million for the National Institute for Nanotechnology Building by the National Research Council and the University of Alberta
- $159 million for the Health Innovation Research Centre by the University of Alberta
- Oil, Gas and Oilsands
- $220 million for Strathcona refinery upgrades by Imperial Oil
- $130 million for Phase 1 at Strathcona Refinery: Gasoline De-Sulphurization by Petro-Canada Oil and Gas
- $1,500 million for Phase 2: Addition of Processing Unit to expand capacity by Petro-Canada Oil and Gas
- $2,800 million for Phase 1: Conversion to Upgrade Bitumen by Petro-Canada Oil and Gas
- $1,700 million for Bitumen Upgrade by Shell Canada, Western Oil Sands and Chevron Canada

Pipelines

- $188 million for an increase in pipeline capacity from the Wood Buffalo region (Ft. McMurray) to Strathcona by Alberta Oil Sands Pipeline Limited
- $800 million for a bitumen pipeline from the Wood Buffalo region (Ft. McMurray) to the Edmonton area by Bison Pipeline Limited.
- $600 Million for Genesee Power Plant Phase 3 (490MW) in Leduc County by EPCOR Utilities Inc.

Residential

- $200 million for a subdivision in Spruce Grove by Signature Developments

Tourism/Recreation

- $145 million expansion of West Edmonton Mall by West Edmonton Mall
- $250 million for the new Provincial Museum by the Western Canadian Museum Foundation

The increased investment activity in northern Alberta will increase job opportunities in the Edmonton region, which will lead to increased migration to Edmonton to take advantage of available job openings. This will add to the region's customer base and, therefore, have a positive impact on consumer spending.

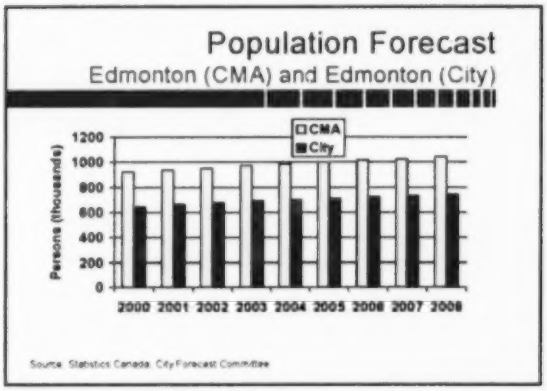
The growth in Edmonton is expected to be strong in 2003 but not as strong as 2002, as housing starts are not expected to continue at the record level of 2002. The economy is expected to grow 3.0% this year and 3.1% next year. The economy is expected to grow even faster in 2005 and 2006 with a growth rate of 4.0% for both years. The economy's growth rate is expected to slow to 2.7% by 2008.

Demographic Changes

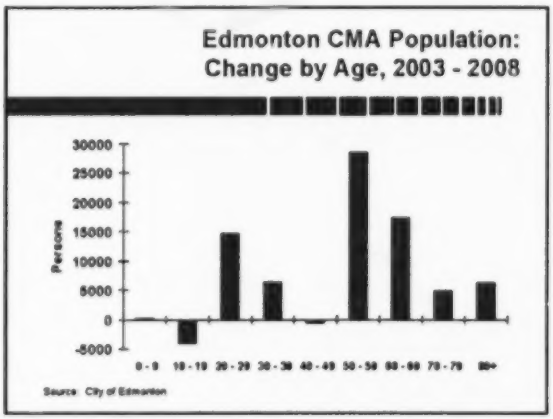
Over the forecast period, the City of Edmonton's number of people aged 40 and over is forecast to increase by 56,000 as opposed to the current level of just over 17,000 for people aged under 40.

The City of Edmonton's population is expected to increase by some 48,000 by 2008, reaching just over 735,000 by 2008 (see Table 2). The population of the Edmonton CMA is expected to increase by 74,000 reaching 1.043 million (Table 3). Net migration for the Edmonton CMA is expected to range between 10,500 in 2003 to 8,000 in 2008.

The other component of population change, natural increase, is expected to continue the decline as the number of deaths increase and births decline as the population ages.



The City of Edmonton and the Edmonton CMA population continues to age. The 2001 Census of Canada indicates that the median age for the City of Edmonton's population increased from 33.8 in 1996 to 35.3 in 2001. The median age for the Edmonton CMA is the second youngest (after Calgary) of the country's ten largest urban areas. The number of people aged under 40 in the Edmonton CMA is expected to increase by just over 17,000 over the forecast period compared with an increase of over 56,000 for people aged 40 and over. The largest increase by 2008 is for people aged in the 50s age group (over 28,000 for the CMA).



Our aging population has a direct impact on the size of the working age population (ages 15 to 64) and the labour force, which is comprised of people either working or looking for work. As the working age

population ages, more people will leave the labour force than enter it.

The population of the City of Edmonton and the Edmonton CMA have broadly similar age profiles, with the CMA having a slightly larger share of people aged under 20 and the City having larger share of young adults and people aged 60 and over.

This changing age structure has important implications for various sectors of the economy:

- The growth in the number of people in the age group between 25 and 34 will increase demand for apartments and first-time buyer housing;
- The large increase in the 50s and 60s age group will support demand for more expensive housing and 'empty nester' and retirement housing, and
- The high growth in the number of people aged 65 and over will increase demand for social and health care services.

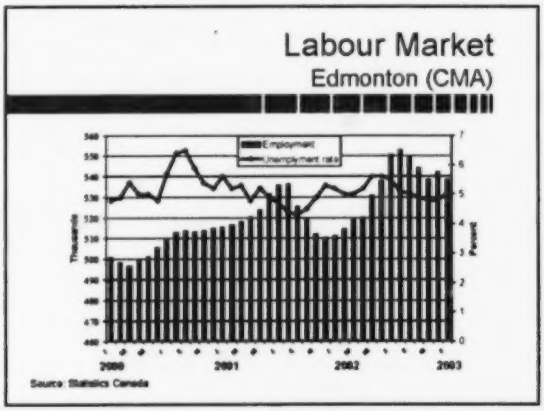
Employment

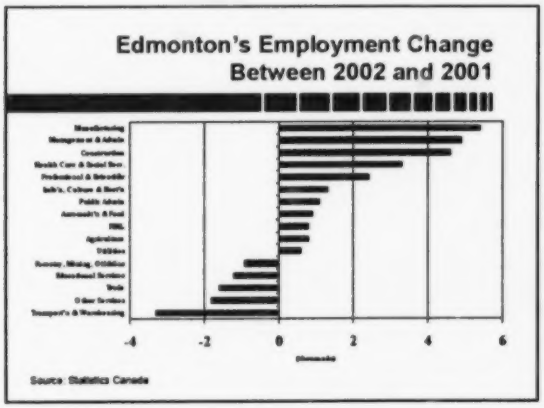
The Edmonton CMA is expected to create 11,000 new jobs in 2003, 9,000 in 2004 and an average of almost 12,000 per year over the 2005-08 period.

In 2002 the Edmonton CMA created almost 17,000 net new jobs to a total of 522,000 jobs. This represented a 3.2% increase over 2001. The goods producing sector produced 62% of the net new jobs while the services sector produced only 38% of the net new jobs. This represented a 9.8% increase in the number of jobs in the goods producing sector and only a 1.7% increase in the services sector.

Continuing a trend that started in December 2001, employment in Edmonton in 2002 began increasing until October of 2002 when it had a small decrease for a couple of months. Since then employment has continued its march upward. Comparing 2002 to 2001, the monthly average job growth in 2001 was only 67 jobs per month. Whereas, on average, the Edmonton region gained over 2,900 jobs per month in 2002.

Due to high energy prices, the large number of mega-projects in northern Alberta and a strong local housing market, employment growth in the Edmonton CMA is expected to remain reasonably strong. Employment growth in the Edmonton CMA is expected to be 11,000 in 2003. We also expect that the employment growth for the 2004-2008 period will average that same level. The total new jobs created for the 2003-08 period is expected to be 56,000.

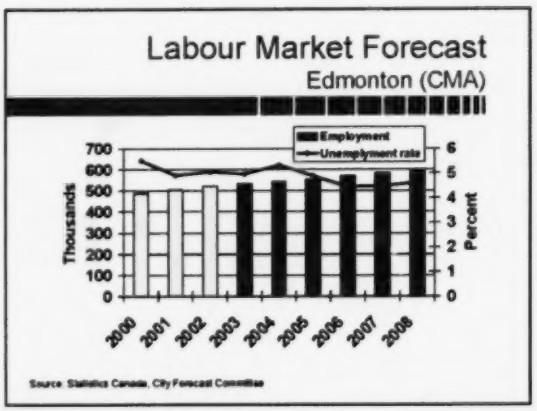




Unemployment Rate

The unemployment rate in Edmonton in 2002 was 5.1%. In 2003 it is forecast to fall to 5.0% and rise to 5.3% in 2004. For the balance of the forecast period it is expected to average 4.6%

The strong migration into the Edmonton region forced the unemployment rate to rise slightly to 5.1% in 2002 from 4.9% in 2001. Over the last year the seasonally adjusted unemployment rate started out at 5.2%. It rose until it reached its maximum of the year in June at 5.6%. Thereafter it started to fall and continued to do so until it was 4.8% at the end of the year.

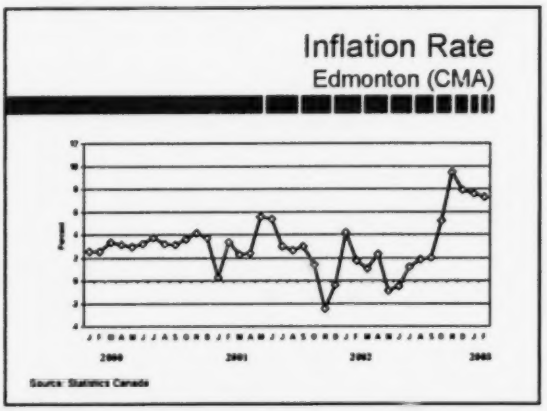


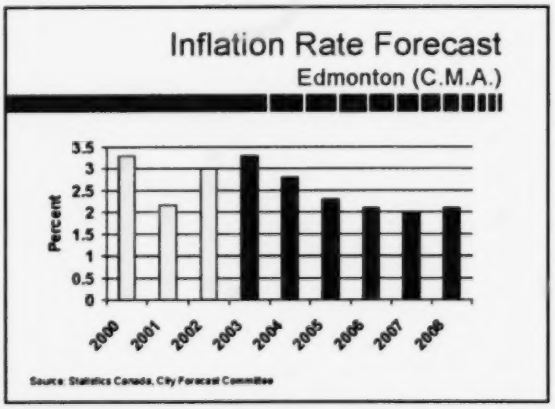
The unemployment rate is expected to average 5.0% in 2003, rise to 5.3% in 2004, then fall to a low of 4.4% in 2006, and then slowly rise to 4.6% by 2008.

Inflation

Edmonton's inflation rate in 2002 was 3.0%, up from 2.2% in the previous year. We expect it to rise to 3.3% this year, 2.8% in 2004, and then to moderate to 2.0% by 2007 and 2.1% in 2008.

Edmonton's inflation has shown much variation in the last 12 months. Inflation started last year at 4.2% then fell to a low of –0.9% in May. It rose to a moderate rate of 1.0-2.0% until October when it rose to 5.2%. It continued up in November reaching an incredibly high 9.5%, before falling in December to 7.9%. Much of this variability and the extremely high rates at the end of the year are due to utilities including water, fuel and electricity but more specifically natural gas prices. In May, these utility prices fell over 50% in a year over year comparison. This contributed heavily to the negative inflation that month. In November when all effects of the end of gas rebates were eliminated and a boom in energy prices had begun, this same general group of utilities increased at over a 95% rate as compared to the previous November. This resulted in the extremely high rate of inflation, 9.5%, in November.





As a result of the high energy prices forecast in 2003, the rate of inflation, as measured by the

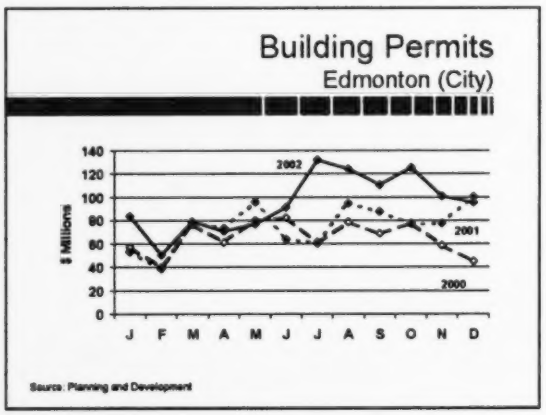
Consumer Price Index (CPI) is expected to rise to an annual rate of 3.3% in 2003. As energy prices are expected to moderate so will the inflation rate. The inflation rate is forecast to fall to 2.8% in 2004, 2.3% in 2005 and continue down to 2.0% by 2007. In 2008 the rate is expected to rise slightly to 2.1%.

It should be pointed out that the Bank of Canada has a target rate for inflation between 1.0%-3.0%. At most times, the Bank of Canada actively pursues this target by adjusting interest rates. Currently the Bank of Canada is raising rates in an attempt to get inflation in Canada back within their target range.

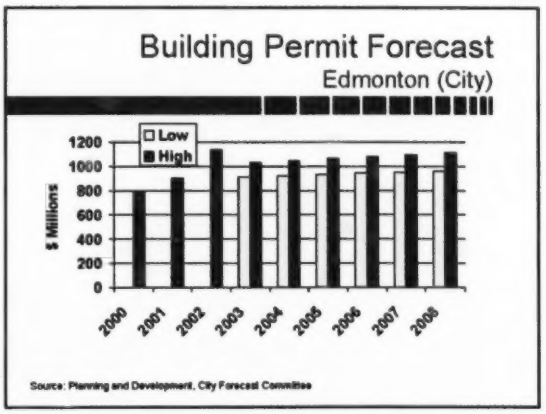
Building Permits

In 2002 the value of building permits increased over 26% from the previous year. It is expected that the value of building permits will remain relatively constant at between $900 and $1,100 million for the duration of the forecast period.

In 2001 the value of building permits rose 15% to $905 million but ramped up again by over 26% to a stellar $1.142 billion in 2002. This was a result of the strong housing market.



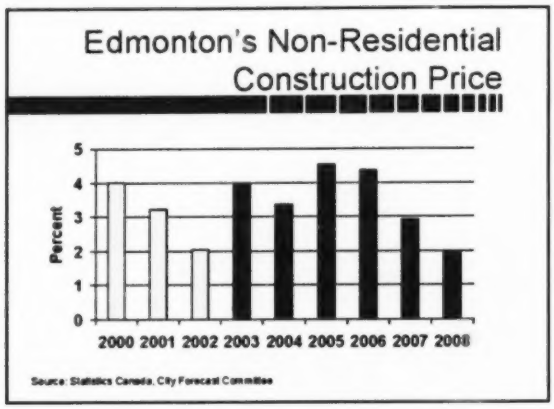
Examining the different sectors in detail, we find that the value of the commercial sector building permits increased by 10.9% in 2002. The value of the industrial sector building permits decreased by 9.3%. The big loser in 2002 was the institutional sector; it fell from $145 million to $74.4 million or 48.7%. The residential sector as stated previously was the big winner in 2002, it gained 64.9%, from $437.4 million in 2001 to $721.0 million in 2002.

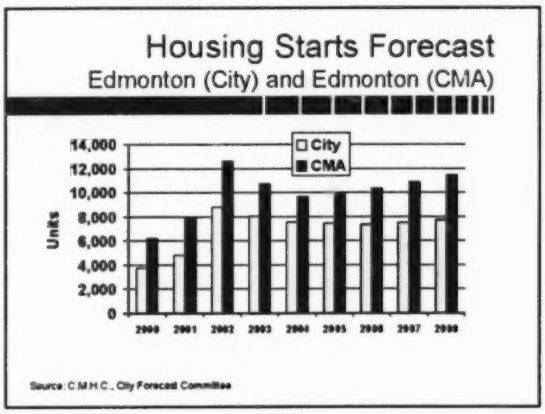


In 2003 the value of building permits is forecast to fall slightly from 2002 and range between $916 million and $1,032 million. This should increase steadily until the last year of the forecast period when it is expected to range between $963 million and $1,112 million.

Non-Residential Construction Price

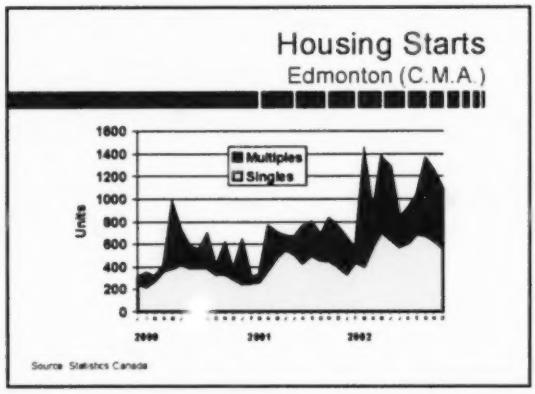
We believe that Edmonton's non-residential building construction cost index will continue to exceed the general rate of inflation in the economy. This is basically due to the lagged effect of higher construction labour and material costs, which are expected to continue due to continued strong activity in the energy industry in northern Alberta and the booming development and construction sector in Edmonton. In 2003, the non-residential building construction cost index is expected to increase 4.0% and fall to 3.4% in 2004. In 2005 and 2006 it is expected to be in the 4.4% to 4.5% range. After that it is forecast to fall to 2.0% at the end of the forecast period.





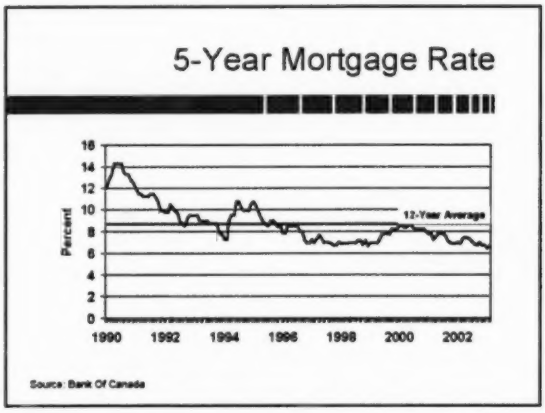
Housing Market

Housing starts in 2002 reached 12,582 in the Edmonton region, and 8,822 in the City. These levels have not been seen since the early 1980s. We expect housing starts to be 8,000 in 2003 and 7,600 in 2004 vin the city.



The exceptionally strong housing activity in the Edmonton region was a result of a number of compounding factors. They included the record low mortgage rates, increased net migration, high employment growth and high disposable incomes. The housing starts in the Edmonton CMA hit 12,582, which is over 60% higher than the level in 2001. The City of Edmonton showed even more strength, with an increase in housing starts of an extraordinary 83% over 2001 to 8,822 starts.

The housing prices also had substantial increases in 2002. After a number of years of single digit percentage increases in prices and actual falling average house prices in the mid 1990s, 2002 saw the average house price increase almost 14%. This is over quadruple the general rate of inflation.



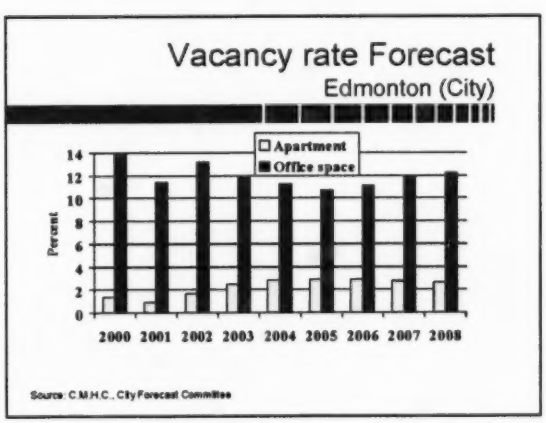
The housing starts in 2003 are not expected to keep pace with the record levels in 2002 with about 10,700 starts in the Edmonton CMA and just over 8,000 for the City. Over the 2004-2008 forecast period, housing starts in the City are expected to average just over 7,500 and for the Edmonton CMA just over 10,400.

Rental Market

The apartment vacancy rate in Edmonton averaged 1.7% in 2002 and is expected to increase to 2.5% in 2003 and 2.8% in 2004. The downtown office vacancy rate in 2002 was 13.2% but is expected to decrease to 11.9% in 2003 and to 11.2% by 2004.

The annual report on apartment vacancies by Canada Mortgage and Housing Corporation (CMHC) pegs the apartment vacancy rate in Edmonton at 1.7% in 2002. This is up from the 0.9% rate in 2001, which was the lowest since 1978. This has been a result of the very strong rental construction in the Edmonton region, non-residential buildings, and condominiums converted to rental units, low mortgage rates and rising rents. These last two have impelled renters to purchase houses.

Rents have also moved up. In 2002, the average rents increased 7.7%. This follows a 9.3% average rent increase in 2001. The Canada Mortgage and Housing Corporation is expecting this trend in rents to moderate in 2003 to an increase of 6.0%.



The vacancy rate in the downtown office market increased 1.8% in 2002 to 13.2%. The rightsizing of the telecommunications industry, mergers and downsizing in national and international professional companies and the uncertainty associated with the Kyoto Protocol all contributed to the increasing vacancy rate.

The forecast calls for the office vacancy rate to fall to 11.9% in 2003, 11.2% in 2004, reaching a low of 10.7% in 2005. After that, the office vacancy rate is expected to climb to 12.2% by the end of 2008.

ECONOMIC OUTLOOK RISKS

Upside Risks to the Outlook

The war on Iraq by the United States could disrupt oil supplies coming from the Middle East. This would increase oil prices, which would probably slow down the fragile economic recovery in the United States. While high-energy prices would contribute to increased inflation and a general slowdown in economic activity, it would help to sustain the feverish pace of development in the oil and gas sector in Alberta.

Downside Risks to the Outlook

As the global economy recovers, the current production agreement among OPEC and non-OPEC oil producers is expected to come unravelled. The recovery of the Russian oil sector, the scale of its established reserves and its determination to develop these resources could push OPEC producers into an all-out struggle for market share. This could result in a sustained period of sharply reduced prices. In such a case, the planned investment in the Alberta energy sector could be jeopardised and provincial government revenues reduced. Under these circumstances, economic activity in Alberta and Edmonton could be much weaker.

The recent U.S. National Energy Policy calls for a balanced approach to increasing domestic energy supply, including the continued development of nuclear and coal-fired power generation. The adoption of this approach would reduce the emphasis on gas-fired generating plants, slow the

increase in U.S. natural gas demand and remove much of the upward pressure on recent gas prices. If aggressively adopted, this policy may lead to a reduction in the current pace of development of North American gas resources.

A low savings rate and high levels of household debt, coupled with continuing poor earnings and high debt in the corporate sector and/or a credit crunch caused by the recent fallout from the Enron debacle may derail the current recovery in the United States and spill over into Canada. Under such a scenario, economic activity in Alberta and the Edmonton region would be negatively affected. Under a worst case scenario, the Alberta and the Edmonton regional economies could dip into a recession.

A concerted effort to meet the greenhouse gas objectives of the Kyoto protocol through a mandated increase in the reliance on natural gas would increase both its demand and price. While clearly inflationary, such a move would require expanded drilling programs and pipeline facilities in the province. Whether such a change would increase overall economic activity in Alberta and Edmonton would depend on the extent to which other industries might be damaged by these and other climate change provisions.

Table 1
Forecast for Selected Economic Indicators

Indicator	Actual/Estimate 2000	2001	2002	Forecast 2003	2004	2005	2006	2007	2008
USA, Canada and Alberta									
World Oil Price (US$/bbl) (1)	30.30	25.94	26.08	28.25	24.65	22.65	22.65	22.80	22.90
Alberta Natural Gas Price ($/GJ) (2)	4.81	5.91	3.83	6.05	5.20	4.50	4.40	4.50	4.50
Economic Growth Rate (% change)*									
USA	3.8	0.3	2.4	2.6	3.6	3.2	3.2	3.0	3.0
Canada	4.5	1.5	3.4	3.1	3.3	3.2	2.9	2.7	3.0
Alberta	5.5	2.0	2.6	3.4	3.6	4.1	3.9	3.3	3.2
Prime Lending Rate (%)	7.27	5.81	4.21	5.00	5.75	6.75	6.50	6.25	6.00
Exchange Rate(US$/Cdn$)	0.673	0.646	0.636	0.662	0.661	0.661	0.673	0.681	0.681
Net Migration (Alberta) (000) (3)	18.3	34.8	35.3	32.0	32.0	30.0	30.0	28.0	28.0
Edmonton									
Net Migration - CMA(000) (3)	5.5	10.5	10.5	10.5	10.5	9.0	9.0	8.0	8.0
- City(000) (3)	3.8	7.0	7.0	7.0	7.0	6.0	6.0	5.5	5.5
Population - CMA(000)	923	938	953	969	985	1,001	1,015	1,029	1,043
- City(000)	647	666	676	687	697	708	717	727	735
Economic Growth Rate (CMA)(%)	4.6	3.6	4.2	3.0	3.1	4.0	4.0	3.0	2.7
Employment (CMA)(000)	489	505	522	533	542	556	572	580	589
Unemployment Rate(CMA)(%)	5.5	4.9	5.1	5.0	5.3	4.9	4.4	4.5	4.6
Inflation Rate CPI(CMA)(%)	3.3	2.2	3.0	3.3	2.8	2.3	2.1	2.0	2.1
Vacancy Rate (%)									
Apartment (CMA, Oct)	1.4	0.9	1.7	2.5	2.8	2.9	2.9	2.8	2.7
Downtown Office (the City, Dec)	13.8	11.4	13.2	11.9	11.2	10.7	11.1	12.0	12.2
Housing Starts (Units)									
City -Total	3,765	4,811	8,822	8,032	7,571	7,435	7,353	7,488	7,702
- Single Family	2,137	2,815	4,157	4,533	4,748	4,996	5,124	5,367	5,629
- Multi-Family	1,628	1,996	4,665	3,499	2,823	2,439	2,229	2,121	2,073
CMA -Total	6,228	7,855	12,582	10,727	9,695	9,870	10,316	10,858	11,446
- Single Family	4,072	4,959	6,861	6,549	6,195	6,605	7,030	7,410	7,774
- Multi-Family	2,156	2,896	5,721	4,178	3,500	3,265	3,286	3,448	3,672
Building Permit Value - Low				916	925	934	944	953	963
-(City) ($million) - High	787	905	1,142	1,032	1,048	1,064	1,080	1,096	1,112
Non-Res Construction Price (% change)	4.0	3.2	2.1	4.0	3.4	4.5	4.4	2.9	2.0

** The U.S., Canada and Alberta economic growth rates are for real GDP at market price.*

Sources:

Actual/Estimate: Statistics Canada, Bank of Canada, Canada Mortgage and Housing Corporation, CB Richard Ellis, Canadian Petroleum Association, Alberta Economic Development and The City of Edmonton Planning and Development Department

Forecast: City Forecast Committee, March, 2003

Notes:

1. World oil prices are for West Texas intermediate crude at Cushing, Oklahoma in U.S. dollars.
2. Natural gas prices are AECO 30-Day Spot Natural Gas Price (Can$/GJ)
3. Numbers are for July 1 of previous year to June 31 of current year.

Table 2: Edmonton City Population, 2001 - 2008

	2001 actual	2002	2003	2004	2005	2006	2007	2008
0 - 4	38,615	38,334	38,448	38,501	38,799	39,389	39,938	40,518
5 - 9	41,410	40,486	39,618	38,946	38,435	37,545	37,227	37,204
10 - 14	43,225	43,294	43,125	42,693	41,964	41,216	40,310	39,371
15 - 19	46,175	46,124	45,999	46,437	46,708	46,742	46,800	46,585
20 - 24	57,020	58,774	60,239	60,738	60,884	60,824	60,691	60,371
25 - 29	53,155	55,060	57,330	60,081	62,810	65,023	66,621	67,739
30 - 34	50,360	50,427	50,856	51,291	51,892	52,744	54,438	56,303
35 - 39	55,325	53,723	51,803	50,453	49,848	50,130	50,143	50,365
40 - 44	57,140	57,741	58,271	58,178	57,571	55,876	54,312	52,319
45 - 49	50,790	52,848	54,831	56,296	57,469	58,533	59,107	59,545
50 - 54	41,285	42,250	43,445	45,520	47,616	49,720	51,655	53,479
55 - 59	29,205	31,821	34,107	36,149	38,340	40,384	41,292	42,377
60 - 64	24,600	25,401	26,509	27,687	28,911	30,167	32,814	35,107
65 - 69	22,715	22,933	23,362	23,760	24,264	24,889	25,671	26,746
70 - 74	20,545	21,070	21,417	21,706	21,918	22,116	22,316	22,701
75 - 79	16,135	16,382	16,903	17,354	17,876	18,424	18,858	19,142
80 - 84	10,085	10,964	11,592	12,297	12,731	13,129	13,317	13,713
85+	8,320	8,660	9,062	9,393	9,961	10,570	11,287	11,846
Total	**666,105**	**676,293**	**686,917**	**697,478**	**707,996**	**717,418**	**726,798**	**735,432**

Prepared by City of Edmonton Planning and Development Department, March, 2003
2001 Population from 2001 Census of Canada.

Table 3: Edmonton CMA Population, 2001 - 2008

	2001 actual	2002	2003	2004	2005	2006	2007	2008
0 - 4	55,485	55,151	55,401	55,551	56,064	57,004	57,885	58,806
5 - 9	62,745	61,454	60,241	59,310	58,619	57,343	56,940	56,979
10 - 14	67,405	67,617	67,472	66,905	65,872	64,794	63,464	62,081
15 - 19	69,555	69,606	69,555	70,304	70,820	71,014	71,200	70,925
20 - 24	72,675	74,983	76,943	77,662	77,982	78,058	77,995	77,695
25 - 29	67,080	69,576	72,552	76,158	79,746	82,687	84,875	86,453
30 - 34	68,260	68,459	69,162	69,869	70,787	72,016	74,423	77,070
35 - 39	79,020	76,868	74,234	72,400	71,614	72,112	72,242	72,668
40 - 44	83,155	84,158	85,067	85,068	84,314	81,961	79,787	76,968
45 - 49	73,590	76,690	79,705	81,966	83,809	85,494	86,465	87,230
50 - 54	61,385	62,899	64,763	67,952	71,183	74,450	77,486	80,359
55 - 59	43,800	47,800	51,334	54,500	57,878	61,010	62,478	64,233
60 - 64	34,540	35,715	37,354	39,076	40,860	42,706	46,561	49,922
65 - 69	30,105	30,440	31,065	31,648	32,368	33,266	34,359	35,867
70 - 74	26,170	26,874	27,359	27,776	28,089	28,388	28,685	29,222
75 - 79	20,140	20,482	21,168	21,770	22,465	23,192	23,778	24,164
80 - 84	12,520	13,626	14,437	15,336	15,908	16,428	16,692	17,215
85+	10,210	10,645	11,158	11,588	12,303	13,077	13,977	14,695
Total	**937,840**	**953,043**	**968,970**	**984,840**	**1,000,680**	**1,015,001**	**1,029,292**	**1,042,552**

Prepared by City of Edmonton Planning and Development Department, March, 2003
2001 Population from 2001 Census of Canada.

PART 2: SOCIAL OUTLOOK

OVERVIEW

The Canadian Government announced a new budget on February 18, 2003. Highlights likely to affect Edmonton's Social outlook include:

- Health Care:
  - An additional $34.8 billion in funding over the next five years.
  - $1.3 billion for Aboriginal health programs.
- Families
  - Increased Child Tax Benefits.
  - Funding for childcare and early learning programs, with an emphasis on low-income and single-parent families.
  - Increased funding for Child Disability Benefits, and for others with disabilities.
  - An increase in the number of eligible expenses for medical expense tax credits.
- Communities:
  - An additional $1 billion for municipal infrastructure.
- Aboriginals:
  - Funding to support Aboriginal languages and culture.
  - Expansion of the First Nations Policing Program.
  - Programs to better meet the needs of urban Aboriginals.
- Canadian Culture and Values:
  - Assistance for production of Canadian television programming.
  - A five-year action plan on official languages.
  - Financial incentives to preserve historic places.
- Research and Innovation:
  - $16 million for northern science.
  - Funding for health research and for genetic health research.
  - $30 million for SchoolNet and the Community Access Program.
  - Additional funding to encourage Aboriginal entrepreneurship.
- Education and Skill Development:
  - Initiatives to attract skilled immigrants.
  - Funding for the Canada Student Loans Program.
  - Creation of the Canadian Learning Institute.
  - Enhanced training and employment opportunities for Aboriginals.
- Tax Incentives:
  - Modifications to RRSP and employer-sponsored pension plans to encourage greater participation.
- The Environment:
  - A number of initiatives to encourage more efficient energy use, to protect the environment, and to ensure safe drinking water.
  - New national parks and marine conservation areas, and well as programs to restore the ecological health of existing parks.

In the February 18, 2003 Speech from the Throne, the Government of Alberta announced:

- Programs for Children:
  - Amendments to the Child Welfare Act focusing on early intervention, preservation of the family, and more community involvement in caring for children.
  - *Alberta's Promise* – a co-ordinated approach involving many sectors of the community to guarantee children a healthy start, provide safe and healthy communities for them to develop in, ensure every child has the support and care of at least one adult in his life, provide volunteer opportunities to give children a chance to contribute and

help others, and find and implement best practices relating to children.
- Establishment of the Alberta Centre for Child, Family and Community Research, which a will conduct research on prevention of fetal alcohol syndrome, as well as other issues such as early childhood development and youth at risk.

- Education:
  - An additional $20 million for classroom resources.
  - Improvements in the adult learning system to improve responses to economic and workforce trends.

- Infrastructure:
  - A new capital plan to address infrastructure needs, as well as increased funding support.

- Low-Income Albertans:
  - Increased financial support to low-income seniors.
  - Initiatives to ensure basic access to shelter, including integration of homeless-shelter programs.
  - Development of more affordable housing.
  - Improved and simplified supports for low-income Albertans.
  - Improvements to employment training programs.

- Health Care:
  - Continued reform of the health care system.
  - Increased funding.
  - Designated waiting-time limits for selected health services.
  - Improvements in the use of health care professionals to deliver services to the public.
  - Development of strategies to promote healthy behaviours and prevent injuries and chronic diseases; work will begin with the growing incidence of diabetes in the population.

- Safe Communities:
  - Steps to reduce drug, violence and gang problems in provincial prisons.
  - Assistance to communities in the preparation of emergency plans, as well as assistance with training.
  - A Family Law Act, which will consolidate current family laws and also address spousal and child support and child custody and access issues.

KEY SOCIAL ISSUES

Social Implications of Demographic Change

Almost 120,000 (net) Canadians moved to Alberta between 1996 and 2001. Over the forecast period, the City of Edmonton's number of people aged 40 and over is forecast to increase by 56,000 as opposed to the current total of just over 17,000 for people aged under 40.

It is estimated that over the forecast period in the City of Edmonton, the 0-9 group will see no change. The 10-4 age group will fall by 9% (3,700) and the 15-19 age group will increase 1% (600). This decline in the number of youths will begin to have implications for schools and other agencies providing services to this group.

At the other end of the population spectrum, the 75+ age group in Edmonton is expected to increase by about 19% (44,700). The increase will largely occur in the older, central areas of the City and a high proportion of this age group is women living alone. The demand for services such as health care, exercise programs, seniors housing, and aids to daily living will continue to increase.

Recent life expectancy figures (1996) indicate that a newborn Canadian male can expect to live 75.7 years; for females the average expectancy is 81.4 years. Medical and technological innovation has proven to be somewhat a two-edged sword, in that

people can now live longer, but often it also means some are living longer in a state of poor health, dependent or even incapacitated. Women tend to be less healthy in old age. While men are more likely to be the victims of acute conditions that kill fairly quickly, women tend to be afflicted by chronic diseases like arthritis that leave them alive, but in poor health.

Migration of people to Alberta from other parts of Canada has been much in the news lately, largely because Alberta was the destination of choice for Canadians on the move between 1996 and 2001 (Statistics Canada, 2002). Overall, however, movement within Canada is actually at its lowest level in more than two decades.

Alberta had a net increase of 119,400 during the period from 1996 to 2001; the largest gain experienced by any Canadian province since the 1981 census. British Columbia was the largest source of migrants to Alberta; 34.6% of our net migration came from B.C. Calgary showed a net gain of 57,000 over the five years, and Edmonton 29,100.

Young people (aged 15 to 29) represented more than half of Edmonton's gain, due to the healthy economic situation here, and the fact that Alberta's unemployment rate has often been as much as two percentage points below the national average over the period. Elsewhere in Canada, particularly in large metropolitan centres like Toronto, Montreal and Vancouver, seniors are leaving the cities for smaller cities or rural areas. This was not the case for Edmonton, however, where net increases were seen for all age groups.

Migration from other countries continues to contribute to Edmonton's increasingly ethnically diverse population. Seventy-one percent of the almost 45,000 international immigrants to the Edmonton CMA during the 1990s were members of a visible minority; 58% of the newcomers came from Asia. The Edmonton CMA now has the fifth highest proportion (15%) of visible minorities among Canadian census metropolitan areas. The following lists the top sources of foreign immigration to Edmonton during the 1990s.

Country of Origin	% of Total
Philippines	12.4
India	10.1
People's Republic of China	10.0
Hong Kong	6.1
Vietnam	5.1
Poland	4.0
United Kingdom	3.8
United States	3.4
Bosnia and Herzegovina	2.1
Lebanon	2.1
All others	40.9

The majority of foreign immigrants to Canada during the period 1996 to 2001 were of working age (25 to 64). Most (69%) of the children who immigrated to Canada went to three major centres — Toronto, Vancouver and Montreal. Research has shown that while these immigrant children are at an initial disadvantage in terms of academic achievement, they soon catch up to or even surpass children of Canadian-born parents.

In 1996, 15% of Alberta's population consisted of immigrants. In 1991, there were 46,785 people who were not Canadian citizens in Edmonton's population. By 1999, there were only 31,161, a decrease of 33.3%, suggesting that immigrants are becoming citizens and making their home here. In 1996, 14% of Edmonton's population consisted of visible minority groups, while visible minorities comprise 10.1% of Alberta's population. The share of Canada's immigrant population born in Asia and the Middle East increased from 14% in 1981 to 31% in 1996, a considerable change from the predominantly European-born immigration of previous decades.

Edmonton's (CMA) Aboriginal population continues to grow — from 3.8% of the city population in 1996 to 4.4% in 2001. Edmonton also still has the second largest urban Aboriginal population in Canada, after Winnipeg.

In the past we have focused on the high fertility rate as the main factor responsible for the rapid increase in Canada's Aboriginal population. Recent

evidence from the 2001 Census indicates that an increasing willingness to be identified as an Aboriginal, as well as improved enumeration may account for as much as half of this apparent increase. Notwithstanding, the Aboriginal birth rate is still one and a half times the rate for the overall Canadian population. However, their birth rate has declined from four times the Canadian rate in the 1960s.

Life expectancies for Canadian Aboriginal males rose from 59.2 years in 1975 to 68.9 years in 2000. For Aboriginal females it improved from 65.9 to 76.3 years. These figures are still lower than those for the Canadian population as a whole.

Families

The number of marriages has increased slightly, but common-law relationships are still widespread for first-time relationships, and even more so for second unions.

The number of marriages in Canada has increased for the first time in three years. At the same time, the average age at which people are marrying has risen by about 2.5 years since 1989.

The "typical" Canadian family has undergone significant evolution in recent years. A new study by Statistics Canada has shown that the majority of Canadians 20 to 29 years of age are choosing to become involved in a common-law relationship as their first union. Most of these people will eventually marry.

Canadians are forming *second* relationships (marriage or common-law) at an earlier age than in previous generations. Significantly, more people starting second relationships are choosing common-law over marriage for these second unions. The study found that common-law relationships are generally less stable than marriages.

Aboriginal children are much more likely than non-Aboriginal children to be living separate from one or both of their parents. Only about 50% of Aboriginal children living in Canada's CMAs live with both parents, versus almost 83% for non-Aboriginals. Just under 5% of Aboriginal children in large urban areas do not live with even one of their parents, staying instead with a relative or non-relative.

Employment and Incomes

Employment and income conditions in Alberta have shown good improvement over the last few years, in contrast to much of the rest of Canada.

Among the provinces, Alberta has shown the steadiest employment growth over the longest period. For nine consecutive years employment has grown by more than 2%.

Positive social impacts can be expected from the improving employment and income conditions in Edmonton. This should bring increased financial independence and improved health status for those Edmontonians obtaining stable employment. The demand for some elements of social services should be reduced.

Poverty

The income gap between rich and poor continues to widen in Edmonton and Alberta.

The recent data indicate that the percentage of Edmonton families living on low incomes decreased from 14% in 1996 to 13% in 1999. However, there are still areas of concern associated with poverty in our city.

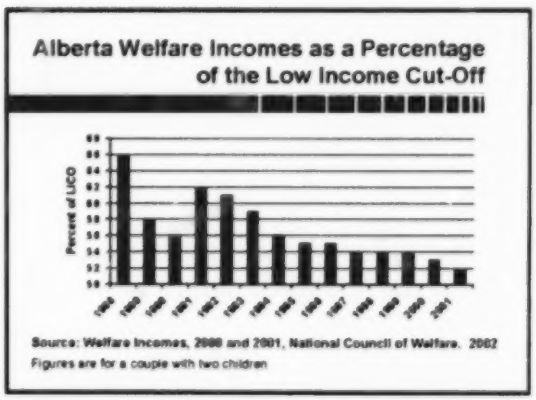
Statistics Canada recently released the results of a study examining changes in the distribution of wealth in Canada. While the median net worth of all Canadian families increased 10% between 1984 and 1999, the median net worth of young families with children fell by 30%. The proportion of young families with children that had *zero* net worth (i.e., their debts exceed their assets) increased from 10% in 1984 to 16% in 1999.

Some families — those in which the main income earner had a university degree or was over 65 years old — enjoyed substantial increases in their net worth over the study period. The median net worth of the families in the bottom 30% (ranked by net worth) dropped during this period; the median net worth of the families in the top 30% rose by 30%. Put another way, the rich got richer and the poor got poorer.

The Alberta government recently concluded its Low Income Programs Review. While no changes were made to the amounts to be paid to low-income Albertans, the province did commit to improve efficiencies in these programs.

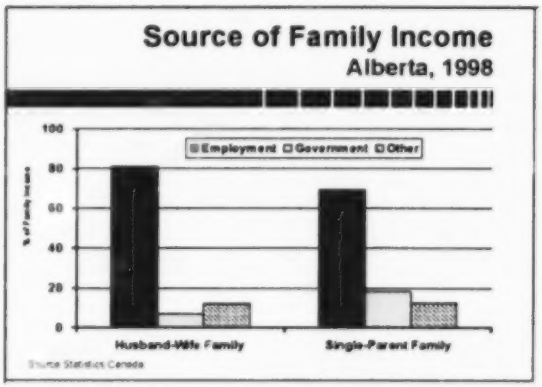
As can be seen from the accompanying chart of welfare incomes, welfare rates paid to a typical couple with two children have decreased steadily since the late 1980s, as compared to the Low Income Cut-Off.

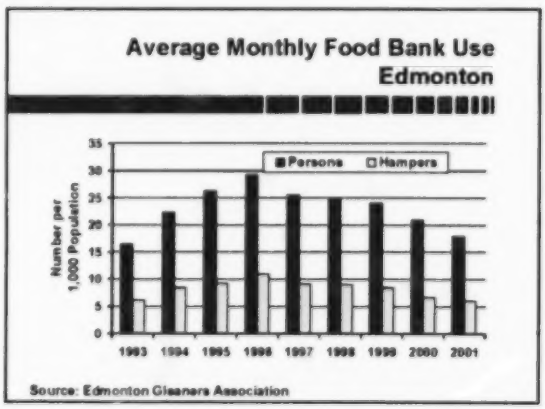
A study focusing on family emergency financial resources found that the vast majority of low-income Canadian families did not have adequate net worth to cope with financial emergencies that might arise. Further, the situation had not improved at all for these families since the mid-80s, even though their average age had increased and they had had several years to accumulate resources.


Alberta Welfare Incomes as a Percentage of the Low Income Cut-Off
Percent of LICO
Source: Welfare Incomes, 2000 and 2001, National Council of Welfare. 2002
Figures are for a couple with two children

The poverty gap (what an average low income family would need to reach the Low Income Cut-off) for poor families in the City of Edmonton was greater than for poor families in Canada, or in Alberta and even within the Edmonton CMA. Couples with children under age 18 have the largest poverty gap. In 1999, an average low-income non-elderly Edmonton family would have needed an additional $8,998 to raise their income to the LICO level.

In 1999 in Edmonton, two-parent families had an average total income of $71,267. The single-parent family total income averaged $39,688. Between 1991 and 1996, the proportion of single-parent families in the City, increased from 16% to 17%. In 1999, thirty-six percent of Edmonton CMA's single-parent families had incomes below the Low Income Cut-off, compared to Alberta's 29% and Canada's 37%.



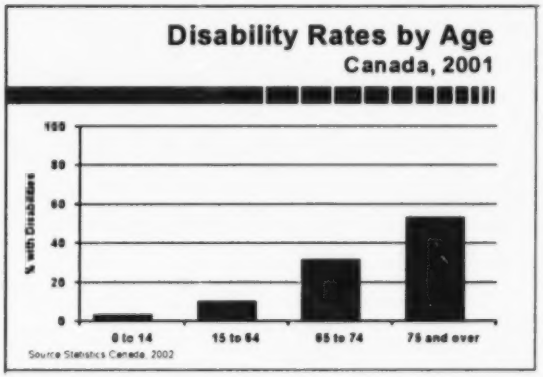


The numbers of families and children living in poverty in Edmonton may decrease somewhat during the forecast period, given the historically close association between the unemployment rate and the poverty rate. The number of food bank users in Edmonton has been declining for the last few years, although demand increased again in October and December of 2001. Clientele using Alberta food banks include the highest proportion of employed workers in the country.

Health

New information from the 2001 Census of Canada has shed much-needed light on the issue of citizens with disabilities.

As a follow-up to the 2001 Census, Statistics Canada conducted a large survey of Canadians who had indicated on the census that they had some form of disability. For Canada as a whole, 12.4% of the population[1] reported having activity limitations. Alberta was very close to the national average, at 12.5%; other provinces ranged from 8.4% to 17.1%.



As shown in the chart above, the disability rate increases significantly with age, and rises sharply for the elderly (over 75). This adds further impetus to the concerns discussed earlier about rising health costs associated with our aging population. Females are more likely to report being disabled (13.3%) than are males (11.5%), except in the under 15 age group.

The Canadian Community Health Survey (2000/2001) found that Aboriginal people living outside reserves in cities and towns across Canada were generally in poorer health than the non-Aboriginal population.

Twenty percent of the Aboriginal people surveyed reported their health care needs were not fully met, compared to 13% for non-Aboriginals. Aboriginals are 1.5 times more likely to report they are in poor health than non-Aboriginals, even when differences in socio-economic standing are taken into account. This difference held true at all income levels. Aboriginal persons are also 1.5 times more likely to report chronic health conditions and to report recent problems with depression.

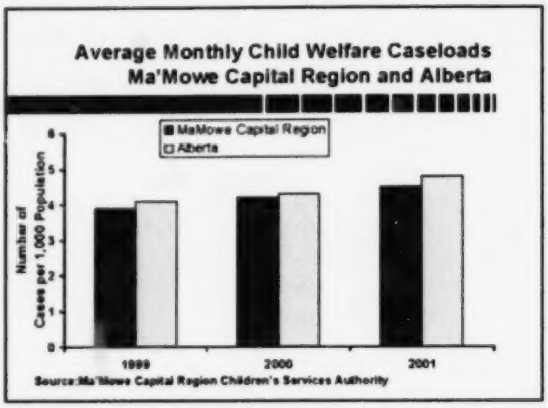
Social Services

Most families are less dependent on various forms of government social programs for financial support than they have been in recent years.

The following table illustrates the reduced dependence of most Edmontonians on the Employment Insurance and Social Assistance programs between 1996 and 1998.

	% Receiving Benefits	
	1996	1998
Husband-Wife Families		
Employment Insurance	21.0	16.8
Social Assistance	9.2	8.8
Lone-Parent Families		
Employment Insurance	15.2	13.2
Social Assistance	37.2	31.6
Non-Family Persons		
Employment Insurance	10.3	8.9
Social Assistance	22.8	23.5

[1] Not including Yukon, Northwest Territories and Nunavut



Government transfers (including E.I., Old Age Security/Income Supplements, C.P.P., social assistance, etc.) contributed 10.8% of the total community income of Edmonton in 1998. This compares to a high of 15.3% in Sudbury and a low of 6.4% in Halton, Ontario. The average for Canada is 12.8%. Edmonton is more or less in the middle of the range for the 18 cities reporting.

Although child welfare caseloads in the Edmonton area are increasing, they are not rising as fast as for the province as a whole.

Housing and Homelessness

The shortage of affordable housing in Edmonton remains at an acute level.

An analysis done in February 2003 identified a number of factors combining to worsen the already poor rental and low-income housing situation in Edmonton.

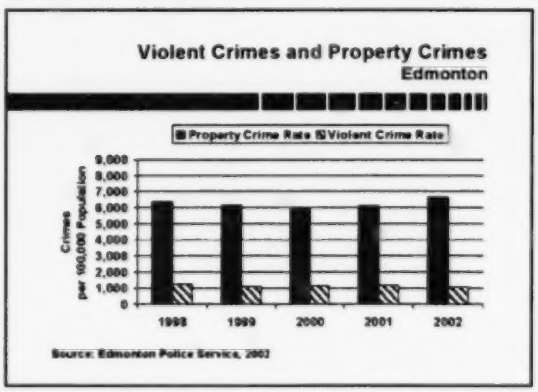
The construction of rental housing has been slow. As well, the existing stock has been eroded through demolition or the conversion to condominiums — 6,500 units were lost between 1997 and 2000. A growing population, particularly the influx of out-of-province workers has boosted demands and rental rates have risen. Because landlords have a greater choice in tenants, many low-income and special needs households have been unable to find suitable or affordable housing. The waiting lists for social housing have increased from about 300 to 4,300 households over the past five years.

The total number of homeless persons counted in October 2002 (1,915) was up 65% from the previous count in September 2000; almost two-thirds of those counted were *absolute homeless*, meaning that they had no permanent place to reside. The number of homeless children under 15 more than doubled between 1999 (112) and 2002 (267).

Crime

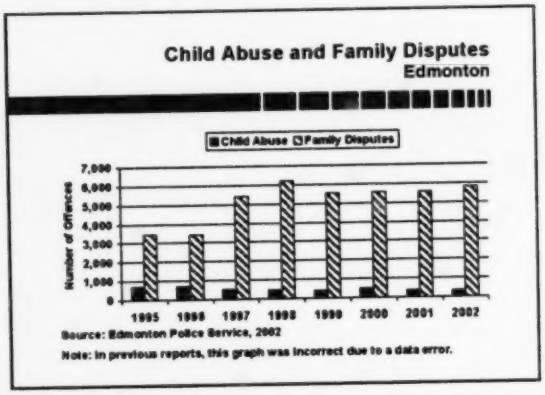
Total reported criminal activity increased by 4% in Edmonton in 2002.

The property crimes rose by 11%, with thefts from autos continuing an upward trend with an increase of 20% during the year. Motor vehicle thefts continued a four-year trend, increasing by 7% and accounted for 16% of all property crimes. Break and enter offences reversed a four-year declining trend to increase by 13%. While residential break-ins remained stable in comparison with 2001 rates, business break-ins increased by 28%. Traffic collisions reached a five-year high during 2002, increasing by 8%.



Overall, violent crime was down in Edmonton by 7% in comparison with 2001. Robberies reversed a

four-year upward trend to decline by 5%. Youth crime (ages 12 to 17) declined by 11%. This reduction includes the number of youth offenses for violent, property and traffic crimes.



Recreation and Leisure

The popular trends in recreational pursuits reflect the ageing of the population, as well as people's complex and busy lifestyles.

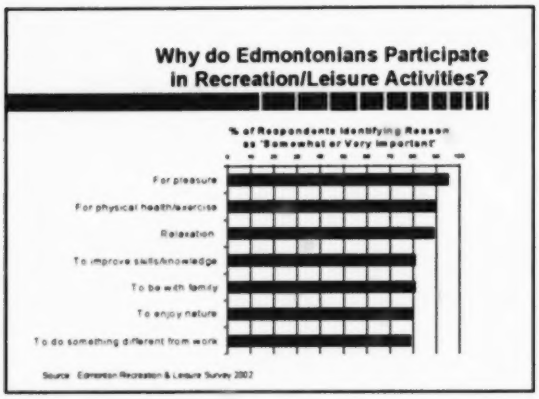
The first in a proposed regular series of telephone-based recreation and leisure surveys was conducted with Edmontonians in the fall of 2002. The Edmonton survey was designed to be closely compatible with the Alberta General Recreation Survey, which has been done approximately every four years since the early 1980s. The following table compares household participation rates for Edmontonians versus Albertans for the most commonly cited recreational and leisure activities. There are some interesting contrasts. Edmontonians seem to be somewhat less involved in active pursuits, with the exception of personal fitness/aerobics, and showed a higher household participation rate in passive activities such as spectator events, playing computer games and picnicking. Unfortunately, the Alberta survey does not ask about the two most common activities — watching television and reading. Edmontonians also visit museums and galleries and participate in gardening activities much less than do Albertans overall.

These indications that Edmontonians are less active than other Albertans are consistent with research conducted in 1999 by the Alberta Centre for Well-Being. This research found that 48% of Edmonton residents were physically active on a regular basis. In comparison, 56% of Calgarians said they were exercising regularly. Almost 59% of Edmontonians agreed that they were **not** getting as much exercise as they needed.

	% of Households That Participate	
	EDMONTON (2002)	ALBERTA (2000)
Watching TV/videos	98.6	not asked
Reading	94.2	not asked
Walking/hiking	86.1	91.3
Crafts/hobbies	75.3	67.9
Attend events as spectator	74.4	62.3
Attend festivals	64.4	59.6
Play computer games	64.2	53.9
Gardening	58.8	74.9
Personal fitness/aerobics	55.4	35.9
Swimming	55.1	55.0
Bicycling	53.0	59.9
Attend courses	43.9	46.8
Visit museums/galleries	45.8	71.5
Picnic	47.3	35.7
Run/jog	39.6	32.8
Golf	37.6	46.6
Performing arts	37.6	35.7
Weight training	37.3	33.8

Edmontonians also said that the activities they took part in most often were watching TV, walking, reading and ice hockey. Their favourite activities were walking, reading, swimming and crafts/hobbies.

The reasons Edmontonians cite for participating in recreation and leisure activities show almost the identical pattern seen in recent years from the Alberta Recreation Survey.


Why do Edmontonians Participate in Recreation/Leisure Activities?
% of Respondents Identifying Reason as 'Somewhat or Very Important'
For pleasure
For physical health/exercise
Relaxation
To improve skills/knowledge
To be with family
To enjoy nature
To do something different from work
Source: Edmonton Recreation & Leisure Survey 2002

There are some differences between the barriers to participation cited by Edmontonians and those revealed in the Alberta survey. In the Edmonton survey, time pressures came out as the top factor, but in the Alberta survey respondents were asked separately about work and family commitments

What are the Barriers to Recreation/Leisure Participation for Edmontonians ?
% of Respondents Identifying Reason as 'Somewhat or Very Important'
Time pressures
Cost of equipment/supplies
Admission fees/charges
Overcrowded facilities
Facilities are poorly maintained
Source: Edmonton Recreation & Leisure Survey 2002

The Edmonton Recreation & Leisure Survey also asked Edmontonians about their own leisure time, and time stresses affecting their lives. A huge majority (78.9%) reported they sometimes or always felt under pressure in completing their daily tasks; 44.3% felt they had less leisure time available to them than they did two years ago. Perhaps in response to these time pressures, 67.4% of Edmontonians said they placed a higher value on their leisure time than on their work time.

A recent analysis of time pressures using data from the 1998 General Social Survey found that Canadians with high incomes are more likely to feel under time pressures than those with lower incomes. The study went on to state that 'spending time with the family" was the activity most likely to be affected by the scarcity of time. People are more and more finding that they are using their weekends, traditionally the escape from day-to-day time pressures, to attend to their unpaid *and* paid work.

Another recent analysis by Statistics Canada, of 1986, 1992 and 1998 data, showed Canadians are spending an increasing part of their day on leisure activities, but are *also* spending more time on work (including paid and unpaid work and education). They are making this extra time by spending less time on personal care activities such as eating, sleeping, grooming and related tasks. Women have less leisure time than men, and spend slightly more of their day on personal care activities and on unpaid work (housework, caring for children or parents, volunteering, etc). Men were found to be spending an increasing amount of time on unpaid work over the study period. Following retirement, leisure time takes up more of people's time, but women still spend a significantly greater amount of time on unpaid work than men.

Volunteerism

Edmontonians are not as involved in volunteer activities as they have been in the past.

In 1999, the *Outlook* reported that Albertans were leading the country in active volunteer work. At that time just over 40% of Albertans volunteered their time, compared to the national rate of 31%.

The 2002 Edmonton Recreation & Leisure Survey found that only 33% of Edmontonians were currently engaged in volunteer activities. Seniors have long constituted the core of the dedicated volunteers. With the aging of our population, fewer of them may be able to maintain this commitment. The increasing time stresses reported earlier have also undoubtedly forced some Edmontonians to give up their volunteer involvement in the face of growing work and home commitments.

Gaming

Albertans are spending more on gaming, and the provincial government is becoming more dependent on revenues from gaming.

The recent studies by Statistics Canada and the Canada West Foundation have unveiled new statistics on the increase in *most* forms of gambling in Alberta (betting on horse racing has declined since the early 1990s). While the figures in the two reports do not agree, the overall trends are consistent and clear. Albertans are gambling more (the Statistics Canada report says the per capita annual gambling expenditures by Albertans 18 and over went from $120 in 1992 to $526 in 2000, a close second to Manitoba among the provinces). Gambling revenues have become increasingly important to the provincial finances; the share of total provincial government revenue from gambling rose from 1.6% to 6.3% over the same period (Statistics Canada).

APPENDIX I – Edmonton Employment by Industry

Employment by Industry - Edmonton C.M.A.
(000)

Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	410	416	424	428	429	422	429	441	441	466	475	483	489	505	522
Goods-Producing Sector	82	84	80	81	83	81	84	94	91	96	100	110	101	109	120
Agriculture	2	3	4	3	3	4	3	10	6	8	8	7	5	2	3
Forestry, Fishing, Mining, Oil & Gas	10	10	7	8	8	6	8	11	12	14	15	10	10	12	11
Utilities	4	6	5	4	6	6	5	4	5	3	3	4	5	4	5
Construction	28	28	29	30	29	27	26	28	31	27	31	35	35	42	46
Manufacturing	38	37	35	35	38	37	41	41	37	44	44	55	47	50	55
Services-Producing Sector	328	332	344	348	346	341	345	347	350	370	375	373	388	396	402
Trade	74	72	77	78	74	74	76	76	74	77	76	77	85	83	82
Transportation and Warehousing	24	24	23	23	22	21	22	23	26	27	25	24	30	31	27
Finance, Insurance, Real Estate and Leasing	23	27	28	29	30	28	27	27	23	26	29	28	29	31	31
Professional, Scientific and Technical Services	22	22	21	19	20	22	26	21	26	29	30	33	32	35	37
Management of Companies & Administrative & Other Support Services	10	11	13	11	13	13	12	15	15	17	17	15	16	14	19
Educational Services	33	34	33	35	37	36	31	34	31	33	30	37	34	40	39
Health Care and Social Assistance	38	43	43	49	45	43	50	46	51	48	54	54	50	52	56
Information, Culture and Recreation	23	19	20	18	19	20	23	24	22	21	28	22	20	20	21
Accommodation and Food Services	24	21	28	27	28	28	26	28	29	32	31	30	36	37	37
Other Services	21	20	21	22	23	25	22	26	25	31	28	26	29	26	24
Public Administration	36	39	37	38	37	32	33	27	28	30	27	27	26	28	29

Source: Statistics Canada

APPENDIX II – Edmonton Gross Domestic Product by Industry

Real Gross Domestic Product at Basic Prices by Industry [1],
Millions of Chained (1997) Dollars [2]
($Millions)

Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Agriculture	41	69	88	79	62	104	93	297	180	233	245	244	196	98
Forestry, Fishing, Mining, Oil & Gas	2,068	2,070	1,500	1,781	1,796	1,532	2,111	2,755	2,836	3,187	3,464	2,618	2,606	2,407
Manufacturing	2,188	2,196	2,405	2,564	2,650	2,779	3,384	3,357	3,280	4,001	3,749	4,463	3,873	4,075
Construction	1,831	1,756	1,917	1,799	1,560	1,681	1,626	1,667	1,884	1,972	2,274	2,270	2,292	2,842
Transportation and Warehousing	1,941	1,873	2,102	2,001	1,966	1,841	1,579	1,633	1,654	1,856	1,763	1,658	2,009	1,980
Utilities	712	1,066	794	734	948	963	935	811	996	895	882	952	1,228	933
Trade	2,447	2,435	2,530	2,442	2,416	2,609	2,911	2,743	2,782	3,333	3,235	3,182	3,665	3,860
Finance, Insurance, Real Estate and Leasing	4,179	4,316	4,433	4,405	4,723	4,649	5,119	4,994	4,619	5,658	6,739	6,127	6,822	7,140
Business Service (3)	2,135	2,201	2,178	2,054	2,267	1,894	2,003	1,852	1,777	1,946	2,086	2,055	2,140	2,125
Public Administration	1,839	1,970	2,006	1,988	1,963	1,877	1,971	1,732	1,744	1,828	1,715	1,930	1,916	2,141
Educational Services	1,464	1,429	1,307	1,351	1,520	1,413	1,266	1,384	1,288	1,366	1,297	1,428	1,421	1,640
Health Care and Social Assistance	1,469	1,648	1,643	1,886	1,756	1,648	1,857	1,667	1,708	1,494	1,689	1,707	1,583	1,698
Accommodation and Food Services	731	650	774	677	668	714	662	744	748	807	778	823	958	1,017
Other Services (4)	856	846	884	882	914	984	931	1,032	984	1,146	1,173	1,145	1,235	1,116
GDP at Factor Cost	**23,901**	**24,526**	**24,561**	**24,645**	**25,209**	**24,687**	**26,448**	**26,669**	**26,480**	**29,721**	**31,089**	**30,602**	**31,946**	**33,072**
Edmonton Growth Rate (%)	3.52	2.61	0.15	0.34	2.29	(2.07)	7.14	0.83	(0.71)	12.24	4.61	(1.57)	4.39	3.52
Alberta Growth Rate (%)	5.11	1.16	2.68	1.65	0.68	5.31	7.65	3.79	1.55	6.69	4.98	(1.69)	8.48	3.88

(1) GDP at Market Prices is obtained by adding Indirect Taxes Less Subsidies on Products
(2) Preliminary Estimates - Subject to Revision
(3) This includes: Professional, Scientific and Technical Services & Management of Companies and Administrative and Other Support Services
(4) This includes: Other Services & Information, Culture and Recreation

APPENDIX III – Edmonton Census Metropolitan Area